itself. There is no private sector company which has a similar profile as that of NFL with relation to difference in feedstock, location, vintage of plants for meaningful comparison.

Making Sugar Industry Globally Competitive

903. SHRI NARENDRA MOHAN: Will the Minister of CONSUMER AFFAIRS AND, PUBLIC DISTRIBUTION be pleased to state:

(a) whether rural economy and interests of sugarcane farmers and labour connected with this industry, are being adversely affected due to sickness of sugar industry, especially in UP and Bihar; and

(b) what steps Government are proposing to adopt to make sugar industry viable in domestic sector and competitive in international market?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) and (b) The closure/sickness of sugar units in the country could be due to variety of factors such as inadequate cane availability, uneconomical size, old age and bad condition of plant and machinery, technical and managerial incompetence, excessively high cane price not commensurate with sales realisation and various other factors.

The sugar mills in the country are grouped in three sectors namely, Public, Private and Cooperative. The sick sugar mills belonging to Private and Public sectors are covered under the provisions of the Sick Industrial Companies (Special Provision) Act, 1985. The sick sugar mills under the Cooperative sector are not required to be registered with Board for Industrial and Financial Reconstruction (BIFR) and are dealt with by the State Governments.

The Rehabilitation Scheme/Package approved by BIFR for sick mills take care of the interest of the workers.

In case of closure of a sugar mill, the State Government

reallocate the sugar cane are to the neighbouring sugar mills and thus the interest of the sugarcane growers is also protected.

Recently, the Government have taken the following decisions to improve the viability of the domestic industry and to make it competitive in international market:—

(i) The sugar industry has been de-licensed with effect from 11.9.1998.

(ii) The ratio of levy to freesale sugar has been changed from 40:60 to 30:70 with effect from 1.1.2000.

(iii) The imported sugar has been brought under the release mechanism with effect from 22.11.1999.

(iv) Duty on imported sugar has been raised to 60% with effect from 9.2.2000.

(v) Levy @ 30% on the stocks of imported sugar held by the importers has been imposed with effect from 17.2.2000.

(vi) Financial assistance is provided to the sugar mills on soft terms for their modernisation/rehabilitation and cane development schemes from Sugar Development Fund (SDF).

Storage Capacity of FCI Godowns

904. SHRI YADLAPATI VENKAT RAO: Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether there is still inadequate storage capacity of FCI godowns, resulting in wheat and rice lying in the open at certain places;

(b) if so, the details thereof;

(c) whether Government propose to invite private investors to build godowns for such storage; and

(d) if so, the proposals in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF